

**ASSESSMENT APPEALS BOARD MINUTES
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA**

Friday, August 27, 1999

The Assessment Appeal Board of the County of San Luis Obispo, State of California, met in regular session at 9:00 o'clock A.M., in the Board of Supervisors Chambers, County Government Center, San Luis Obispo, California.

PRESENT: Appeals Board Members Mr. Tom Baron, Mr. Harry Yasumoto and
Chairperson Kem Weber

ABSENT: Appeals Board Member None

Mr. Ed Olpin, Deputy County Counsel, is present and represents the Assessment Appeals Board and Mr. Warren Jensen, Deputy County Counsel is present and represents for the Assessor.

Mr. Dick Frank, County Assessor, Mr. Rod Frelinger, Mr. Rod Hallin, Mr. Tim Kelly, Ms. Lesa Silva, and Ms. Linda Trahey, Deputy Assessors are present and sworn.

This is the time set for members of the public wishing to address the Board on items not set on the Agenda. Chairperson Weber opens the floor to public comment without response.

Application No. 1998-94, Timothy Banducci, APN #062-042-043, is presented. Mr. Timothy Banducci and Mr. Derrick Banducci are present and sworn. Mr. Yasumoto, Mr. Weber and Mr. Frelinger address possible conflicts of interest with the Assessor and Applicant indicating they don't have a problem with Mr. Yasumoto or Mr. Weber sitting or Mr. Frelinger presenting the Assessor's case. Mr. Frelinger describes the property, presents the Assessor's case (**Assessor's Exhibit A - Property description and comparables, Assessor's Exhibit B - Appeal 1998-94 Chronological History and Assessor's Exhibit C - New Construction Valuation of 4-plex 11/20/85**) and recommends no changes to the corrected Roll values for 1995/96, 1996/97, 1997/98 and 1998/99. The Assessor and the Applicant agree on the land value. Mr. Frelinger discusses the history of the property and the clerical error which occurred and dropped \$34,982 from the Roll. Discussion regarding another duplex on a neighboring lot occurs. Mr. Frelinger discusses the Market Approach being used, date of value is November 20, 1985 and the value added to the Roll for the 4-plex is \$160,200. Mr. Derrick Banducci presents the Applicant's case (**Applicant's Exhibit 1 - Applicant's values**), discusses his efforts to contact the Assessor and staff by phone, with no response; reasons for filing appeal: 1) cost approach should be used, 2) Market approach is inappropriate and 3) transfer to a trust is not a reassessable event. **Thereafter, on motion of Mr. Yasumoto, seconded by Mr. Baron, and unanimously carried, on Application No. 1998-94, Banducci, APN # 062-042-043, date of value November 20, 1985, the full value of improvements is fixed at \$160,000.** Mr. Derrick Banducci requests that the Board not change the value by \$200 and leave it at to just keep the value at \$160,200. **Thereafter, on motion of Mr. Yasumoto, seconded by Mr. Baron and unanimously carried, the Board amends the prior motion to reflect a total value for the improvements of \$160,200.** Both the Applicant and Assessor waive Findings of Fact.

Application Nos. 1997-54, 1998-10 and 1998-86, Tosco Corporation, APN Nos. 091-141-062, 091-192-034, 092-391-020, 092-391-021, 092-391-034, 092-401-011, 092-401-013, 092-411-002, and 092-411-005, are presented. Ms. Danielle Williams, Court Reporter, is present and sworn. Mr. David Juhnke and Mr. Peter Michaels, Attorneys for Tosco are present. Mr. William Hantke and Mr. Michael Remsha, representing Tosco, and Mr. Kevin McNulty, Los Angeles County Assessor's office, are present and sworn. The applications are read into the record, with Mr. Frank requesting that APN # 092-401-005, which was previously withdrawn, be read into the record. Ms. Silva describes the properties and recommends the Roll values be held. The Assessor recommends on APN# 092-401-011 that the full value of land at \$5,900,000; the full value of improvements at \$29,751,722; the full value of fixtures at \$162,724,520; the full value of business property at \$2,796,626 for a total value of \$201,171,868. Mr. Juhnke describes the purchase of the Unocal property, including the refineries, logo, etc. for \$1,597,000,000 by Tosco; states this was an arm's

length transaction and requests the purchase price be enrolled. Mr. Hantke, Vice President of Corporate Development and Corporate Controller for Tosco, discusses his job duties, educational background, experience with other Tosco acquisitions (**Applicant's Exhibit 1 - Tosco Multiple Asset Acquisitions**); describes the analysis they perform when an acquisition is being considered; (**Applicant's Exhibit 2 - Request for Permissive Judicial Notice and Applicant's Exhibit 3 - Request for Mandatory Judicial Notice, Applicant's Exhibit 4 - Excerpts from the 10K filed with the Security Exchange Commission dated 3/31/1999, Applicant's Exhibit 5 - Excerpts from the 1998 Tosco Corporation Annual Report, Applicant's Exhibit 6 - Tosco Acquisition Allocation**). Mr. Juhnke outlines each of the exhibits they have presented. There is a discussion regarding competing companies that were involved with the sale. Mr. Hantke discusses how the unregistered stocks were held as a marker during the sale with the agreement Tosco had to purchase the stocks back. Mr. Jensen, Deputy County Counsel, presents **Assessor's Exhibit A - Sale and Purchase Agreement dated December 14, 1996 and Assessor's Exhibit B - Securities Exchange Commission**, and discusses the discrepancies between these and the applicant's exhibits. A discussion regarding the appraisal of the subject property and the appraiser being present for cross-examination occurs. Mr. Juhnke suggests an agreement be made to keep the complete appraisal information confidential if they are going to provide a copy. A discussion regarding the stock purchase and shareholders agreement (**Applicant's Exhibit 7 - Stock Purchase and Shareholders Agreement**), and Rule 2 occurs. The Board discusses getting an opinion from the State Board of Equalization on Rule 2. **Thereafter, on motion of Mr. Baron, seconded by Mr. Yasumoto, and unanimously carried, the Board agrees to continue the meeting past 5:00 p.m..** Mr. Michaels, Attorney for Tosco, discusses Revenue and Taxation Code Section 408, with regard to information being shared with other counties, and his concern about confidential information from a Los Angeles Closed Session hearing being in the Assessor's file here in San Luis Obispo. Discussion regarding the letter to the State Board of Equalization, as to who should write it, what it should include and to the time frame for a response occurs. **A motion of Mr. Baron, seconded by Mr. Yasumoto, to continue this hearing to September 1, 1999 at 9:00 a.m. is discussed.** Mr. Juhnke agrees to a 60 to 90 day extension with a special day to be set for the hearing. Mr. Baron withdraws his motion with Mr. Yasumoto concurring. The Board requests that the Clerk find a hearing place and continue this hearing to either October 20, 21, and 22 or October 27, 28 and 29, 1999, with all parties agreeing to these dates. There is further discussion regarding the language of the letter to the State Board of Equalization. The Board agrees there are two issues: (1) stock transfer and (2) Rule 2. Mr. Juhnke agrees to sign a Waiver of Time to November 15, 1999. **Thereafter, on motion of Mr. Baron, seconded by Mr. Yasumoto, and unanimously carried, the Board continues this hearing to either October 20 through 22 or October 27 through 29, 1999, and the Clerk is to notify all parties of which dates this will come back and the Waiver of Time to November 15, 1999 is approved and the Chairperson is instructed to sign same.**

The Clerk presents for approval the **minutes from the July 19, 1999 hearing**. **Thereafter, on motion of Mr. Baron, seconded by Mr. Yasumoto, and unanimously carried, and the minutes of the July 19, 1999 hearing are approved as presented and the Chairperson is instructed to sign the same.**

Request for a second continuance and approval of the Waiver of Time for Application Nos. 1997-143 and 1998-82, Valencia Investors, is presented. The applicant is not present. **Thereafter, on motion of Mr. Yasumoto, seconded by Mr. Baron, and unanimously carried, the Board approves the request for a second continuance and the Waiver of Time for Application No. 1997-143 and 1998-82, Valencia Investors, is approved and the Chairperson is instructed to sign same.**

This is the time set for Board members, Assessor and/or Staff to bring up items to be discussed at the next meeting. **No action taken.**

On motion duly made and unanimously carried, the Assessment Appeals Board of the County of San Luis Obispo, State of California, does now adjourn.

Chairperson

ATTEST:

JULIE L. RODEWALD, County Clerk-Recorder
and Ex-Officio Clerk of the Assessment Appeals Board

By: Deputy Clerk-Recorder

cmc